



Mescalero Apache Telecom, Inc. NETWORKS



REDACTED - FOR PUBLIC INSPECTION

Received & Inspected

June 30, 2016

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

JUL 01 2016

FCC Mailroom

Re: Connect America Fund, WC Docket No. 14-58, 47 CFR § 54.313 Annual Reporting Requirements for High-Cost Recipients (Form 481)

Dear Ms. Dortch:

DOCKET FILE COPY ORIGINAL

Attached please find Mescalero Apache Telecom, Inc.'s (MATI) high-cost support recipient annual report pursuant to 47 CFR § 54.313 (Form 481).

MATI is filing certain financial information, reported pursuant to 47 CFR § 54.313(f)(2), as confidential under the March 22, 2016 Protective Order (DA 16-296). Pursuant to that Order, each page of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version of this information has been marked "CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION." As such, MATI requests that the non-redacted version of its submission be withheld from public inspection.

MATI is also requesting confidential treatment of certain information being filed pursuant to 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1) (five year service quality improvement plan) under 47 CFR § 0.457 and 0.459. The redacted version of this filing has been marked "REDACTED - FOR PUBLIC INSPECTION." The non-redacted version has been marked "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION."

Pursuant to 47 CFR § 0.459, MATI offers the following in support of its request for confidential treatment of certain information.

- *Identification of the specific information for which confidential treatment is sought:* MATI seeks confidential treatment of the five year service quality improvement plan required per 47 CFR § 54.202(a)(1)(ii) and 54.313(a)(1),
- *Identification of the Commission proceeding in which the information was submitted or a description of the circumstances giving rise to the submission:* MATI is providing the five year service quality improvement plan as part of its annual high-cost support recipient report per 47 CFR § 54.313.
- *Explanation of the degree to which the information is commercial or financial, or contains a trade secret or is privileged:* MATI considers the information to be highly sensitive in that it contains statements about the Company's future investment plans, and discusses specific equipment and strategies the Company will utilize to provide services.

No. of Copies rec'd 0
List ABCDE

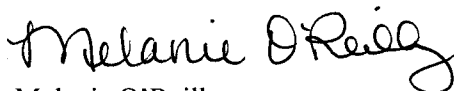
- *Explanation of the degree to which the information concerns a service that is subject to competition:* MATI provides voice and broadband services that are in competition with various landline and wireless providers; thus, the investment data disclosed is related to services subject to competition to a high degree.
- *Identification of any measures taken by the submitting party to prevent unauthorized disclosure:* MATI makes the data being provided available only to employees, consultants, and attorneys on a limited, need-to-know basis.
- *Identification of whether the information is available to the public and the extent of any previous disclosure of the information to third parties:* The information is not publicly available.
- *Justification of the period during which the submitting party asserts that material should not be available for public disclosure:* MATI requests that the data provided be treated as confidential indefinitely. Due to the sensitive nature of the data, it would not be appropriate for public disclosure at any time in the foreseeable future.
- *Any other information that the party seeking confidential treatment believes may be useful in assessing whether its request for confidential treatment should be granted:* None.

Accordingly, MATI requests confidential treatment of the five year service quality improvement plan pursuant to section 0.457 and 0.459 of the Commission's rules.

The redacted version of this Form 481 submission will be filed via the Commission's Electronic Comment Filing System (ECFS) in the above-captioned docket.

If you have any questions about this filing, please contact the undersigned.

Sincerely,
MESCALERO APACHE TELECOM, INC.



Melanie O'Reilly
Controller

Attachment

FCC Form 481 - Carrier Annual Reporting Data Collection Form		FCC Form 481 Rev. 12/15/14 FCC Form 481 Control No. 3060-0819
<010> Study Area Code	491231	JUL 07 2016
<015> Study Area Name	MESCALERO APACHE	
<020> Program Year	2017	
<030> Contact Name: Person USAC should contact with questions about this data	Melanie O'Reilly	FCC Mailroom
<035> Contact Telephone Number: Number of the person identified in data line <030>	5754644039 ext.	
<039> Contact Email Address: Email of the person identified in data line <030>	mporeilly@matinetworks.net	
Form Type	54.313 and 54.422	

(100) Service Quality Improvement Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<110> Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, please file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

491231NM112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Yes

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mperelly@matinetetworks.net

<210> For the prior calendar year, were there any reportable voice service outages? No

[illegible]

**(300) Unfulfilled Service Request
Data Collection Form**FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0813
July 2013

<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<300> Unfulfilled service request (voice)

0

<310> Detail on attempts (voice)

Name of Attached Document

<320> Unfulfilled service request (broadband)

0

<330> Detail on attempts (broadband)

Name of Attached Document

(400) Number of Complaints per 1,000 customers
Data Collection Form

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	491231
<015>	Study Area Name	MRSALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed voice	
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize. Offered only fixed broadband	
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

(500) Compliance With Service Quality Standards and Consumer Protection Rules**Data Collection Form**

FCC Form 481

OMB Control No. 3060-0086/OMB Control No. 3060-0819

July 2019

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporsillysmat@networks.net
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes

491231NM510.pdf

<510> Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance

(600) Functionality in Emergency Situations Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matnetworks.net
<600> Certify compliance regarding ability to function in emergency situations	Yes
<610> Descriptive document for Functionality in Emergency Situations	491231NM610.pdf

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<701> Residential Local Service Charge Effective Date
<702> Single State-wide Residential Local Service Charge

1/1/2016

<703>

[illegible]

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mpreillysmatinetworks.net

[illegible]

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeillyumatetworks.net
<810>	Reporting Carrier	Mescalero Apache Telecom, Inc.
<811>	Holding Company	Not Applicable
<812>	Operating Company	Mescalero Apache Telecom, Inc.

[illegible]

(900) Tribal Lands Reporting Data Collection Form		FCC Form 481 OMB Control No. 3060-0213 JULY 2013
--	--	--

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<900> Does the filing entity offer tribal land services? (Y/N)

Yes

<910> Tribal Land(s) on which ETC Serves

Mescalero Apache Indian Reservation


<920> Tribal Government Engagement Obligation

491231NM920.pdf

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable
Yes

Yes
Yes
Yes
Yes
Yes
Yes
Yes

(1000) Voice and Broadband Service Rate Comparability		FCC Form 457
OMB Control No. 3045-0046, Amendment of No. 3045-0019		July 2013

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<1000> Voice services rate comparability certification Yes

<1010> Attach detailed description for voice services rate comparability compliance

Name of Attached Document

<1020> Broadband comparability certification

No

<1030> Attach detailed description for broadband comparability compliance

491231NM1030.pdf

Name of Attached Document

(1100) Study Area Code	491231	OMB Control No. 3060-0988	OMB Control No. 3060-0988
Data Entry Date	7/1/2017		

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<1100> Certify whether terrestrial backhaul options exist (Y/N)

Yes

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

(1200) Terms and Conditions of Lifeline Discharge		FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0839
Data Collection Form		July 2013

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

491231NM1210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | | |
|--------|---|-------------------------------------|
| <1221> | Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> | Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> | Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

(E000) Price Cap Carrier Additional Information		FCC Form 481
Data Collection Form		OMB Control No. 3045-0047
Including Price Cap Carrier with Price Cap Support Range Carrier		Version 02/17

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@amatinetworks.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

<2010>	2nd Year Certification 47 CFR § 54.313(b)(1)(i) - Note that for the July 1 2016 certification, this applies to Round 2 recipients of Incremental Support	
<2011>	3rd Year Certification 47 CFR § 54.313(b)(1)(ii) - Note that for the July 1 2016 certification, this applies to Round 1 recipients of Incremental Support	
<2022>	Recipient certifies, representing year two after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year two - 54.313(b)(2)(ii). Round 2 recipients only.	
<2024A>	Round 2 Recipient of Incremental Support?	
<2024B>	Attach list of census blocks indicating where funding was spent in year two - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information
<2025A>	Round 1 or Round 2 Recipient of Incremental Support?	
<2025B>	Attach geocoded Information for Phase I milestone reports (Round 1 for year three and Round 2 for year two) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-	Name of Attached Document Listing Required Information
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)	

<2016> Certification support used to build broadband

--	--

<2017A> Connect America Fund Phase II recipient?

**Name of Attached Document Listing
Required Information**

Name of Attached Document Listing
Required Information

--	--

<010> Study Area Code 491231
 <015> Study Area Name MESCALERO APACHE
 <020> Program Year 2017
 <030> Contact Name - Person USAC should contact regarding this data Melanie O'Reilly
 <035> Contact Telephone Number - Number of person identified in data line <030> 5754644039 ext.
 <039> Contact Email Address - Email Address of person identified in data line <030> mporeilly@matinetworks.net

Complete the items below to note compliance with five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan
 (3009) Carrier certifies to 54.313(f)(1)(iii)

Yes - Attach Certification

(3010A) Milestone Certification {47 CFR § 54.313(f)(1)(i)}

(3010B) Please Provide Attachment Name of Attached Document Listing Required Information 491231NM3010.pdf

(3012A) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)} No - No New Community Anchors

(3012B) Please Provide Attachment Name of Attached Document Listing Required Information

(3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)} ☒ Yes ☐ No

(3014) If yes, does your company file the RUS annual report (Yes/No) ☒ Yes ☐ No

Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

(3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☒

(3016) Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows ☒

(3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation Name of Attached Document Listing Required Information 491231NM3017.pdf

(3018) If the response is no on line 3014, is your company audited? (Yes/No) ☐ Yes ☐ No

If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3019) Either a copy of their audited financial statement; or ☐

(3020) (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3021) Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit. ☐

If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:

(3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers ☐

(3023) Underlying information subjected to a review by an independent certified public accountant ☐

(3024) Underlying information subjected to an officer certification. ☐

(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

(3026) Attach the worksheet listing required information Name of Attached Document Listing Required Information

491231 Mescalero Apache Data Collection Form	491231 CMS Contact No. 3060-0019 July 2015
--	--

<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name- Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	morcilly@matinetworks.net

Financial Data Summary

(3027) Revenue	4765371
(3028) Operating Expenses	4470043
(3029) Net Income	201608
(3030) Telephone Plant In Service(TPIS)	13430332
(3031) Total Assets	6157584
(3032) Total Debt	2883371
(3033) Total Equity	1829395
(3034) Dividends	0

Authorized Rural Broadband Experiment Additional Information Data Collection Form	FCC Form 481 OMB Control No. 3055-0047/OMB Control No. 3055-0019 July 2013
--	--

<010>	Study Area Code	491231
<015>	Study Area Name	MEGACALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

4005 Rural Broadband Experiment

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

4001. Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

Community Anchor Institutions – FCC 14-98 (paragraph 79)

4003a. RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

If yes to 4003A, please provide a response for 4003B.

4003b. Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Broadband Deployment Locations – FCC 14-98 (paragraph 80)

4004a. Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

4004b. Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

FCC Form 485 OMB Control No. 3045-0047 OMB Control No. 3045-0047 10-2013	
--	--

<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: MESCALERO APACHE	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/29/2016
Printed name of Authorized Officer: Melanie O'Reilly	
Title or position of Authorized Officer: Controller	
Telephone number of Authorized Officer: 5754644039 ext.	
Study Area Code of Reporting Carrier: 491231	Filing Due Date for this form: 07/01/2016
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



<010> Study Area Code	491231
<015> Study Area Name	MESCALERO APACHE
<020> Program Year	2017
<030> Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035> Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent Firm: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Name of Authorized Agent Employee: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

<701>	Residential Local Service Charge Effective Date	1/1/2016
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]

Chargenkontrolle 3060-0985, 3065-0985, 3065-0985, 3065-0985

<010>	Study Area Code	491231
<015>	Study Area Name	MESCALERO APACHE
<020>	Program Year	2017
<030>	Contact Name - Person USAC should contact regarding this data	Melanie O'Reilly
<035>	Contact Telephone Number - Number of person identified in data line <030>	5754644039 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mporeilly@matinetworks.net

[illegible]

I. DISCUSSION

Mescalero Apache Telecom, Inc. (MATI), an ETC designated by the New Mexico Public Regulation Commission, hereby submits this five year service quality improvement plan progress report (*Progress Report*) as required by 47 CFR § 54.313(a)(1). The Company is an incumbent carrier with a service area in the state of New Mexico, with 1,126 customers in one exchange as of 12/31/2015. MATI is a rate-of-return (RoR) regulated carrier and is wholly owned by the Mescalero Apache Tribe.

The *Progress Report* reflected herein represents the Company's ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. The Company generated and filed in 2014 a five-year plan in compliance with the Commission's rules, although the out years in the plan (years 3-5) are highly speculative in nature and thus will likely change, sometimes substantially, in future progress updates filed with the Commission. Reasons for the speculative nature of years 3-5 of the Plan include (1) the unknown nature of universal service support in those years, in light of the Commission's USF/ICC Transformation Order, (2) the difficulty in forecasting customer counts, demand, and other factors directly affecting network demand, and (3) the rapid pace of technological innovations in the communications industry makes it difficult to plan more than one or two years in advance with any degree of accuracy.

The *Progress Report* presented herein by necessity includes expenditures not directly tied to "improvements or upgrades" of the Company's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

II. Five Year Plan Update

The Company has no material updates to the five year service quality improvement plan it filed in 2015. The five year improvement plan is included below.

Description	2016	2017	2018	2019
CapEx	\$2,000,000	\$2,000,000	\$580,000	\$495,000
OpEx	N/A	N/A	N/A	N/A

III. Progress Report

A. Maps

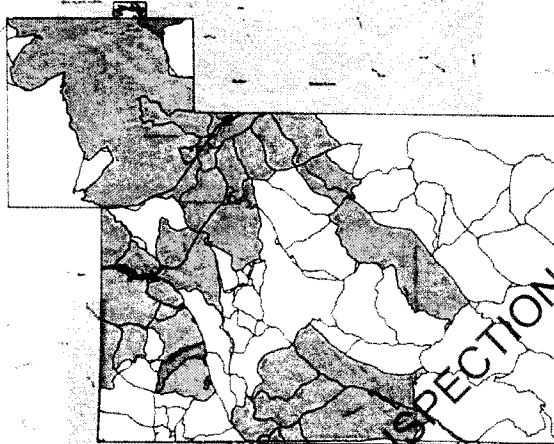
Section 54.313(a)(1) requires that all recipients of high cost support are to provide maps depicting the progress made during the current reporting period. The Company is providing a map showing progress in regards to its five year service quality plan through June 30, 2016, and is provided at the wire center or census block level, as applicable.

Mescalero Apache Telecom, Inc. (SAC 491231)
Five Year Service Quality Improvement Plan Progress Report
For the 2016 Reporting Year
Per 47 CFR § 54.313(a)(1)

Legend

MATI Broadband Deployment

- 14/2 Mbps
- 2/.576 Mbps
- Unservd
- Bing Road



CONFIDENTIAL - NOT FOR PUBLIC INSPECTION

B. Universal Service Support Received

Section 54.313(a)(1) requires that all recipients of high-cost support provide an explanation of how much universal service support was received during the reporting period. For this year's Progress Report, the amount of universal service support received will be for the 6 months ended June 30, 2016. The Company received the following universal service support amounts during the period January 1, 2016 through June 30, 2016:

	\$567,336
	\$456,804
	\$164,754
	\$1,188,894

Throughout 2016 the Company's investments and operating costs will exceed USF received due to a FTTH project in progress.

C. How Universal Service Support Was Used

Section 54.313(a)(1) also requires all recipients of high-cost support to provide an explanation of how the universal service support received was used to improve service quality, coverage, or capacity. The universal service support received by the Company is either based on (1) actual overall revenue requirements, as determined by associated FCC rules, or (2) the replacement of certain interstate and intrastate access revenues. This support is added to the Company's general funds and the expenditure of such support is not separately tracked, nor is it practical to do so.

Overall, any support expended pursuant to the investment and operating expense budgets presented in the Company's five year service quality improvement plan will be used to increase coverage and capacity, via additional investment in voice and broadband-capable infrastructure, and improve service quality, via expenditures for continued operations and maintenance. By the very nature of the FCC rules that give rise to the universal service support received, the Company clearly expends such funding to support regulated operations and thus serves to improve broadband and voice coverage, capacity and service quality. Therefore, due to the reimbursement nature of the HCLS and ICLS mechanisms, all support received was already expended to increase coverage, capacity and service quality improvement through qualifying capital investments and the qualifying operating expenses that support them.

D. Network Improvement Targets

Section 54.313(a)(1) requires all recipients of high cost support to provide an explanation of any network improvement targets that have not been fulfilled in the prior calendar year. The company met all of its network improvement targets in 2015.

IV. Considerations

The investment and service quality improvement plan and progress report discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- *Speed* - at least 10 mbps upstream and 1 mbps downstream in regards to requests for service.
- *Latency* - 100mS or less, sufficient for real-time applications
- *Capacity* – The Company currently provides unlimited usage to its broadband service customers.
- As an RoR-regulated carrier, the Company is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 10 meg/1 meg upon reasonable request and within a reasonable timeframe. As a result, the Plan and Progress Report reflected herein takes into account this requirement by meeting all such requests for broadband service within the overall service guidelines adopted by the New Mexico Public Regulation Commission.
- The Company will provide high speed internet and telephone service to all areas within its franchised area.

CONFIDENTIAL – NOT FOR PUBLIC INSPECTION

Mescalero Apache Telecom, Inc. (SAC 491231)

Statement Regarding Compliance with Service Quality Standards and Consumer Protection Rules

47 CFR § 54.313(a)(5)

Form 481, Line 510

Mescalero Apache Telecom, Inc. (MATI) is an incumbent local exchange carrier operating in the state of New Mexico, and is an eligible telecommunications carrier (ETC) designated by the New Mexico Public Regulation Commission (NMPRC). As such, MATI is subject to the regulatory authority of the NMPRC and operates under the relevant rules and laws of the state of New Mexico.

MATI is subject to the service quality standards and consumer protection standards adopted by the NMPRC and that are applicable to ILECs in the state of New Mexico. These standards are contained in Title 17, Chapter 11 of the New Mexico Administrative Code. Consumer protection standards are also contained in MATI's local tariff that is on file with the NMPRC.

Apart from effective internal procedures and operations, MATI ensures compliance with all applicable service quality and consumer protection rules through NMPRC enforcement, which entails the operation of an effective customer complaint process. MATI is required to respond to customer complaints and other service quality-related inquiries from the NMPRC in a reasonable time frame. MATI consistently meets or exceeds all NMPRC-adopted standards, and reports to this effect via all required NMPRC processes.

Finally, MATI has established internal procedures to ensure compliance with the Federal Communications Commission's Customer Proprietary Network Information (CPNI) rules that include, but are not limited to, periodic employee training and maintenance of written company CPNI procedures. MATI certifies its compliance with the Commission's CPNI rules by making annual filings as required in 47 CFR § 64.2009(e).

Mescalero Apache Telecom, Inc. (SAC 491231)

Statement Regarding the Ability to Function in Emergency Situations

47 CFR § 54.313(a)(6)

Form 481, Line 610

Mescalero Apache Telecommunications, Inc. (MATI) is an incumbent local exchange carrier operating in the state of New Mexico, and is an eligible telecommunications carrier (ETC) designated by the New Mexico Public Regulation Commission (NMPRC). As such, MATI is subject to the regulatory authority of the NMPRC and operates under the relevant rules and laws of the state of New Mexico.

MATI has batteries and portable generators capable of providing the required level of backup power, and that can be deployed as necessary to MATI's switching and remote sites. MATI's network is capable of rerouting traffic around damaged facilities, although this ability is not absolute and may be limited in certain circumstances. However, MATI follows all industry standard practices in ensuring its network remains functional during different types of emergency situations.

Mescalero Apache Telecom, Inc. (SAC 491231)

Tribal Government Engagement Obligation

47 CFR § 54.313(a)(9)

Form 481, Line 920

Mescalero Apache Telecommunications, Inc. (MATI) is a Tribally owned incumbent local exchange carrier operating on the Mescalero Apache Indian Reservation. As a Tribally owned company MATI's primary purpose is to make sure that Tribal customers receive quality telecommunications service.

MATI management engages Tribal government once every other month during board meetings. Those meetings are all focused on MATI's primary purpose of providing telecommunications service on Tribal lands. Some of the topics discussed in the board meetings include the following:

- Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- Feasibility and sustainability planning;
- Marketing services in a culturally sensitive manner;
- Compliance with Rights of way processes;
- Compliance with Land Use permitting requirements;
- Compliance with Facilities Siting rules;
- Compliance with Environmental Review processes;
- Compliance with Cultural Preservation review processes;
- Compliance with Tribal Business and Licensing requirements;
- Public Safety
- Education
- MATI's involvement community improvement projects

Mescalero Apache Telecom, Inc. (SAC 491231)
Statement Regarding Broadband Rate Comparability
47 CFR § 54.313(a)(12)
2016 FCC Form 481, Line 1030

Mescalero Apache Telecom, Inc. (MATI) states the following as to the requirements contained in 47 CFR § 54.313(a)(12) regarding the reasonable comparability of residential broadband rates. This rule requires that eligible telecommunications carriers (ETCs) provide *“a certification that the pricing of a service that meets the Commission's broadband public interest obligations is no more than the applicable benchmark to be announced annually in a public notice issued by the Wireline Competition Bureau, or is no more than the non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories where the eligible telecommunications carrier receives support.”*

MATI notes that this rule, adopted in the FCC's December 18, 2014 Report and Order in WC Docket Nos. 10-90, 14-58, and 14-192 (FCC 14-190) is effective for the first time with the 2016 Form 481 ETC Annual Report. Furthermore, the Wireline Competition Bureau issued a Public Notice (DA 16-362, rel. April 5, 2016) that contains, *inter alia*, the process for determining the applicable reasonably comparable benchmark rates. ETCs are to certify on line 1020 of the 2016 Form 481 that one broadband service offering that satisfies all of the Commission's requirements, including that the service be offered throughout the high-cost support recipient's supported area or made available upon request be priced at or below the relevant benchmark.

While MATI offers, or will offer upon reasonable request, fixed wireline retail residential broadband internet access service meeting the Commission's requirements (10/1 mbps, 150 gb of monthly capacity), it does not and cannot do so at rates at or below the relevant benchmarks. MATI's retail rate for residential 10/1 unlimited broadband internet access service is \$99.99 per month, while the benchmark rate according to the 2016 Public Notice is \$75.20. In addition, MATI has considered the *“non-promotional price charged for a comparable fixed wireline service in urban areas in the states or U.S. Territories”* in New Mexico. MATI's rate is higher due to many factors, including the high cost, remote tribal areas that it serves, the relatively high middle mile costs necessary to connect MATI's customers to the Internet, and the sparse population in its tribal serving area.

MATI also notes that, as an ILEC ETC, it does not provide retail Internet access services of any kind directly to end user customers; rather, MATI provides wholesale service to its Internet Service Provider (ISP) affiliate, which then adds services to the broadband “pipe” MATI provides in order to provide broadband Internet access service to individual residential customers. Thus, MATI, as the ILEC, does not control the costs incurred by the ISP or the prices charged to the end user.



Mescalero Apache Telecom Inc.
PO Box 229, Mescalero, NM 88340
Office 575/464-4039 Fax 575/464-0311



Federal Lifeline Re-Certification Form

Customer Name _____ **Date of Birth:** _____
Please print clearly
Social Security Number _____ **Telephone Number:** _____
Physical Address: _____ **Permanent** _____ **Temporary** _____
If temporary must verify residential address every 90 days
Billing Address: _____
If different from physical address

Lifeline is a federal benefit and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Lifeline is a non-transferable benefit and may not be transferred to any other person.

You must re-certify within 30 days from the date of this letter, should you fail to re-certify the lifeline credits will be removed. Please check the appropriate box(es), complete the remainder of the following Eligibility Certification Form, and return it to the address listed above; I understand that proof of my participation will be verified from the National Lifeline Accountability Database.

I certify under the penalty of perjury that I am not receiving lifeline service from another provider (wireless or wireline). I also certify under penalty of perjury that I currently receive benefits from the following program (check the box next to the program that applies):

- | | |
|--|--|
| <input type="checkbox"/> Federal Public Housing Assistance or Section 8 | <input type="checkbox"/> BIA General Assistance Program |
| <input type="checkbox"/> Temporary Assistance for Needy Families | <input type="checkbox"/> National School Lunch Program (<i>Free meals</i>) |
| <input type="checkbox"/> Supplemental Security Income (SSI) (<i>cannot use Social Security Income</i>) | |
| <input type="checkbox"/> Head Start (<i>Only those meeting its income qualifying standard</i>) | <input type="checkbox"/> Food stamps |
| <input type="checkbox"/> Medicaid (<i>cannot use Medicare</i>) | <input type="checkbox"/> LIHEAP |
| <input type="checkbox"/> Food Distribution Program on Indian Reservations (FDPIR) | |
| <input type="checkbox"/> Income at or below 135% of the Federal Poverty Guidelines | <input type="checkbox"/> Number of Household Member _____ |

Family Size	Annual Income	Family Size	Annual Income
1	\$ 15,080.00	4	\$ 31,118.00
2	\$ 20,426.00	5	\$ 36,464.00
3	\$ 25,772.00	6	\$ 41,810.00

For each additional person, add \$5,346.00

Please read and initial each of the following lines to certify your participation:

- ☐ Applicants applying for lifeline under the income criteria must submit document of proof of household income to determine eligibility (prior year's tax return, current paycheck stubs(3 months), SSI statement of benefits, etc.)
- ☐ I further agree to notify MATI immediately if I cease to participate in the program listed above.
- ☐ I understand that it is my responsibility, as the customer to re-certify for lifeline every 12 months.
- ☐ Only one lifeline service is available per household

CUSTOMER SIGNS UNDER PENALTY OF PERJURY THAT THE INFORMATION OF ELIGIBILITY IS TRUE AND ACCURATE TO THE BEST OF THEIR KNOWLEDGE

Authorized Signer's Signature

X

Date

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 11 TELECOMMUNICATIONS
PART 11 LIFELINE AND LINKUP BENEFITS

17.11.11.1 ISSUING AGENCY: New Mexico Public Regulation Commission.
 [17.11.11.1 NMAC - N, 11-15-10]

17.11.11.2 SCOPE: This rule applies to all entities that have been designated by the commission as eligible telecommunications carriers and that may receive disbursements from the state rural universal service fund or the federal universal service fund.
 [17.11.11.2 NMAC - N, 11-15-10]

17.11.11.3 STATUTORY AUTHORITY: Sections 8-8-4, 63-9C-4 and 63-9H-6 NMSA 1978.
 [17.11.11.3 NMAC - N, 11-15-10]

17.11.11.4 DURATION: Permanent.
 [17.11.11.4 NMAC - N, 11-15-10]

17.11.11.5 EFFECTIVE DATE: November 15, 2010, unless a later date is cited at the end of a section.
 [17.11.11.5 NMAC - N, 11-15-10]

17.11.11.6 OBJECTIVE: The purpose of this rule is to ensure that each eligible telecommunications carrier designated by the commission provides lifeline and link-up benefits intended to make basic telecommunications services available to qualifying individuals and households under specified public assistance programs or income-based criteria. Lifeline and linkup have also been known in New Mexico as low-income telephone assistance programs or "LITAP."
 [17.11.11.6 NMAC - N, 11-15-10]

17.11.11.7 DEFINITIONS:

- A. Applicant** means an eligible customer of an eligible telecommunications carrier.
 - B. Carrier** means an entity that provides intrastate retail public telecommunications services or comparable retail alternative services in New Mexico.
 - C. Eligible telecommunications carrier ("ETC")** means a carrier that has been designated by the commission as eligible to receive disbursement from the state rural universal service fund or the federal universal service fund.
 - D. Federal poverty guidelines** means the poverty guidelines issued each year by the federal health and human services department and published in the federal register.
 - E. Income** means all income actually received by all members of the household. This includes salary before deductions of taxes, public assistance benefits, inheritances, alimony, child support payments, workers' compensation benefits, gifts, lottery winnings, and the like. The only exceptions are student financial aid, military housing and cost-of-living allowances, irregular income from occasional small jobs such as baby-sitting or lawn mowing, and the like.
 - F. Responsible agency** means the state government agency or other entity designated by the commission to administer the certification, verification and continued verifications of lifeline enrollment.
- [17.11.11.7 NMAC - N, 11-15-10]

17.11.11.8 ELIGIBILITY REQUIREMENTS:

- A. Program-Based Criteria.** All ETCs shall provide lifeline and linkup benefits to any applicant who self-certifies, under penalty of perjury, that his or her household is eligible for public assistance under one or more of the following programs:
 - (1) temporary assistance to needy families (TANF);
 - (2) food stamps;
 - (3) low income home energy assistance program (LIHEAP);
 - (4) medicaid;
 - (5) supplemental security income;
 - (6) national school lunch program; or
 - (7) federal public housing assistance.
- B. Income Based Criteria.** All ETCs shall provide lifeline and linkup benefits to any applicant who certifies, with supporting documentation and under penalty of perjury, that his or her household income is at or below 150 percent of the applicable federal poverty guidelines upon annual publication by the U.S. department of health and human services in the federal register.
 - (1) Income-based eligibility is based, in part, on household size. Therefore, an applicant must certify, under penalty

of perjury, the number of individuals residing in his or her household.

(2) An applicant must certify, under penalty of perjury, that the documentation supporting income-based certification accurately represents the applicant's annual household income. The following documents, or any combination of these documents, are acceptable to support certification based upon income:

- (a) prior year's state, federal or tribal tax returns;
- (b) current year-to-date earnings statement from an employer or three consecutive months of paycheck stubs;
- (c) social security administration statement of benefits;
- (d) veteran's administration statement of benefits;
- (e) retirement/pension statement of benefits;
- (f) unemployment/workers' compensation statement of benefits;
- (g) federal or tribal notice of participation in bureau of Indian affairs general assistance; or
- (h) divorce decree or child support wage assignment statement.

C. **Application.** The application form for participation in lifeline and linkup benefits shall be available from each ETC, the commission's consumer relations division, and the responsible agency, if one has been designated by the commission. Each completed application shall contain the following information, where applicable:

- (1) applicant's name, telephone number and home address;
- (2) the particular public assistance program(s), if applicable, and identification of the ETC that the applicant anticipates will provide service;
- (3) an affirmative statement that the applicant qualifies for lifeline or linkup benefits;
- (4) an affirmative statement under penalty of perjury affirming that the applicant is participating in one of the programs listed in Subsection A of 17.11.11.8 NMAC, or a statement under penalty of perjury affirming that the applicant's household income is at or below 150 percent of the federal poverty guideline; and if the application is based on income criteria, a statement under penalty of perjury that identifies the number of individuals residing in the household and affirms that the documentation presented to support income-based eligibility accurately represents the applicant's household income;
- (5) the following affirmative statement under penalty of perjury that the applicant is not receiving lifeline benefits of any kind on any other telephone or wireless account: "I agree to notify (name of carrier) when I no longer participate in any of the above qualifying public assistance programs or when there has been a change in the size or income level of my household. I certify under penalty of perjury the above information and attached documentation are true and that I and no one else is receiving lifeline benefits at this address, on either a telephone or wireless telephone account"; and
- (6) the applicant's signature.

D. **Document Retention.** The ETC or responsible agency shall retain eligibility applications for three (3) calendar years.

E. **Tribal Land Lifeline and Linkup Benefits.** Customers who live on tribal lands and who qualify for state lifeline and linkup benefits based on the program or income criteria set forth in Subsections A and B of 17.11.11.8 NMAC are eligible to receive prescribed federal benefits. Such federal benefits are not within the scope of, nor governed by, this rule. [17.11.11.8 NMAC - N, 11-15-10]

17.11.11.9 CONTINUING ELIGIBILITY:

A. **Annual Verification.** The continuing eligibility of customers for lifeline benefits shall be verified annually.

B. **Verification Methods.** The ETC or responsible agency shall verify the continued eligibility of lifeline customers under the program-based and income-based eligibility criteria. The ETC or responsible agency shall establish methods by which program-based and income-based eligibility shall be verified on an annual basis including, but not limited to, self-certification, reviews of state computer data bases, beneficiary audits, income documentation, or the continued eligibility of a statistically valid sample of lifeline customers.

C. **Restoration Of Service And Payment Plans.** ETCs must restore service for any customer who has had telephone service discontinued for nonpayment of basic service charges, provided that the customer was not a participant in LITAP at the time of discontinuance, but now qualifies. The ETC must also make a reasonable payment arrangement allowing six months for payment for past due basic service charges.

D. **Termination Notices and Dispute Resolution.** If a customer fails to establish continued eligibility, the ETC or responsible agency shall notify the customer of its intent to discontinue the customer's eligibility and the basis for that decision.

- (1) The eligibility termination notice shall be in writing and shall be delivered to the customer's mailing address.
- (2) The eligibility termination notice must allow the customer at least 60 days to demonstrate continued eligibility consistent with the rule. The customer's participation in lifeline service may not be discontinued during this 60-day period.
- (3) The eligibility termination notice shall include a statement advising the customer of the option to continue local telephone service after termination of lifeline service benefits at the non-discounted rate.
- (4) If the customer fails to provide proof of continued eligibility as required, or the ETC or responsible agency does not accept the customer's proof of continued eligibility, the ETC or responsible agency shall notify the customer in writing of its determination to discontinue the customer's participation in lifeline benefits. The notice shall include instructions for filing an appeal of the determination.

- (5) If the customer disputes the non-eligibility determination, he or she shall notify the ETC or responsible agency.

If the customer is still unable to resolve the dispute, he or she may appeal a non-eligibility determination within sixty (60) days of the date of the notice from the ETC or responsible agency by filing a written notice of appeal with the commission. Lifeline benefits will continue pending an appeal of a non-eligibility determination.

(6) An appeal pursuant to this rule shall be addressed by the commission consistent with the complaint procedures set forth in the commission's Consumer Protection rule (17.11.16 NMAC).

[17.11.11.9 NMAC - N, 11-15-10]

17.11.11.10 LIFELINE AND LINKUP BENEFITS:

A. Benefits. Lifeline benefits provided by ETCs shall consist of basic service, or its functional equivalent, and usage charges, less a discount of not less than \$3.50 and any other lifeline benefits established by the federal communications commission. ETCs shall provide linkup benefits in accordance with the federal linkup program utilizing the eligibility criteria set forth in Subsections A and B of 17.11.11.8 NMAC.

B. Deposits. When customer security deposits are otherwise required, they will be waived for lifeline service customers if the customer voluntarily elects to receive toll blocking.

C. Nonrecurring Charge Waiver. Lifeline customers will receive a waiver of the nonrecurring charge for changing the type of local exchange usage service to lifeline, or changing from flat rate service to message rate service, or vice versa, but only one such waiver shall be allowed during any 12-month period.

D. Termination. Lifeline benefits shall not be terminated for nonpayment of toll service.

E. Restrictions. A lifeline customer may receive lifeline and linkup benefits only for the customer's principal service line. Lifeline and linkup benefits are not available for service lines used for business purposes.

F. Other Services. A lifeline customer will not be required to purchase other services from the ETC, nor prohibited from purchasing other services, either separately or in a bundle with lifeline supported services, unless the customer has failed to comply with the ETC's terms and conditions for those services.

[17.11.11.10 NMAC - N, 11-15-10]

17.11.11.11 FUNDING OF LIFELINE AND LINKUP BENEFITS:

A. Reporting Requirements. All ETCs seeking cost recovery shall submit to the commission a monthly report, on or before the 15th day of each month, containing a description of the ETC's lifeline and linkup benefits. The report shall contain monthly information on:

(1) the foregone revenue resulting from the discounts provided to lifeline customers;

(2) the amounts of administrative, advertising, voucher and other lifeline and linkup expenses, including only those administrative costs borne by the ETCs over and above what they have expended in connection with their federal universal service duties;

(3) interest accrual amounts on lifeline and linkup funds; and

(4) the number of lifeline customers.

B. Cost Recovery. The total cost of providing lifeline service, including the administrative costs of the ETCs as provided at Paragraph (2) of Subsection A of 17.11.11.11 NMAC, and the costs incurred by the responsible agency, shall be recovered and funded from the state rural universal service fund pursuant to 17.11.10 NMAC.

C. ETC Payment. Within thirty (30) days after review and audit of an ETC's monthly report, the administrator of the state rural universal service fund shall disburse an amount equal to the ETC's lifeline and linkup expenses as provided in this rule, plus lifeline discounts up to \$3.50 per lifeline subscriber.

[17.11.11.11 NMAC - N, 11-15-10]

HISTORY OF 17.11.11 NMAC: [RESERVED]

Mescalero Apache Telecom, Inc. (SAC 491231)
Milestone Certification
47 CFR 54.313(f)(1)(i)
Form 481, Line 3010

The Company hereby certifies pursuant to 47 CFR 54.313(f)(1)(i) that it is taking all reasonable steps to provide, upon reasonable request, broadband service at actual speeds of at least 10 mbps downstream and 1 mbps upstream, with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas, and that requests for such service are met within a reasonable time frame.

CONFIDENTIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<p align="center">USDA-RUS</p> <p align="center">OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p><i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i></p> <p>BORROWER NAME</p> <p>Mescalero Apache Telecom, Inc.</p> <p align="center">(Prepared with Audited Data)</p>
<p>INSTRUCTIONS-Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.</p>	<p>PERIOD ENDING December, 2015</p> <p>BORROWER DESIGNATION NM0523</p>

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII

(Check one of the following)

- ☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.
- ☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report

Godfrey Enjady

4/14/2016

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	372,047	262,565	25. Accounts Payable	264,701	255,115
2. Cash-RUS Construction Fund	116,811		26. Notes Payable	258,310	
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt	884,432	963,865
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases	63,568	49,700
a. Telecom, Accounts Receivable	48,533	81,713	32. Income Taxes Accrued		
b. Other Accounts Receivable	527,531	469,779	33. Other Taxes Accrued	1,110	1,670
c. Notes Receivable			34. Other Current Liabilities	92,663	144,360
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	1,564,784	1,414,710
6. Material-Regulated	45,597	38,528	LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes	2,872,948	2,155,328
8. Prepayments	39,988	70,894	37. Funded Debt-RTB Notes	703,906	530,381
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	1,150,507	923,479	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease	88,917	37,420
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	139,677	160,242
b. Nonrural Development	1,000	1,000	46. Total Long-Term Debt (36 thru 45)	3,805,448	2,883,371
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets	106,534	110,598	47. Other Long-Term Liabilities	30,108	30,108
15. Deferred Charges	2,830	12,006	48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	110,364	123,604	50. Total Other Liabilities and Deferred Credits (47 thru 49)	30,108	30,108
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom, Plant-in-Service	13,235,786	13,430,332	51. Cap. Stock Outstand. & Subscribed	400,000	400,000
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction	1,166	27,367	53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	7,469,696	8,347,198	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	5,767,256	5,110,501	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins	1,227,787	1,429,395
	7,028,127	6,157,584	58. Total Equity (51 thru 57)	1,627,787	1,829,395
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	7,028,127	6,157,584

Total Equity = 29.71% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		NM0523	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2015	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM		PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		2,756,803	2,341,564
2. Network Access Services Revenues		2,368,424	1,938,859
3. Long Distance Network Services Revenues		(2,152)	(3,595)
4. Carrier Billing and Collection Revenues		248	943
5. Miscellaneous Revenues		315,931	495,823
6. Uncollectible Revenues		10,514	8,223
7. Net Operating Revenues (1 thru 5 less 6)		5,428,740	4,765,371
8. Plant Specific Operations Expense		1,344,499	1,356,384
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		558,021	553,803
10. Depreciation Expense		755,793	771,265
11. Amortization Expense		145,630	116,338
12. Customer Operations Expense		240,005	256,161
13. Corporate Operations Expense		1,399,230	1,416,092
14. Total Operating Expenses (8 thru 13)		4,443,178	4,470,043
15. Operating Income or Margins (7 less 14)		985,562	295,328
16. Other Operating Income and Expenses		(168)	836
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes		12,901	12,395
20. Total Operating Taxes (17+18+19)		12,901	12,395
21. Net Operating Income or Margins (15+16-20)		972,493	283,769
22. Interest on Funded Debt		260,008	212,089
23. Interest Expense - Capital Leases		16,104	10,940
24. Other Interest Expense		936	936
25. Allowance for Funds Used During Construction		3,395	756
26. Total Fixed Charges (22+23+24-25)		273,653	223,209
27. Nonoperating Net Income		(4,921)	(17,274)
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income		100,971	158,322
31. Total Net Income or Margins (21+27+28+29+30-26)		794,890	201,608
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year		474,004	1,227,787
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date		41,107	
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]		1,227,787	1,429,395
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)		0	0
44. Annual Debt Service Payments		1,348,608	1,693,638
45. Cash Ratio [(14+20-10-11) / 7]		0.6548	0.7544
46. Operating Accrual Ratio [(14+20+26) / 7]		0.8712	0.9875
47. TIER [(31+26) / 26]		3.9047	1.9032
48. DSCR [(31+26+10+11) / 44]		1.4607	0.7749

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS <i>INSTRUCTIONS - See RUS Bulletin 1744-2</i>						BORROWER DESIGNATION NM0523 PERIOD ENDED December, 2015	
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
EXCHANGE	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
Mescalero	24.40	16.00	507	757	1,264	243.00	115.70
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total			507	757	1,264	243.00	115.70
No. Exchanges	1						

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS INSTRUCTIONS - See RUS Bulletin 1744-2						BORROWER DESIGNATION NM0523 PERIOD ENDED December, 2015		
Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION								
4. BROADBAND SERVICE								
Details on Least Expensive Broadband Service								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone/Pckg (f)	Type Of Technology (g)
Mescalero	1,264	826	327	1,500	512	19.99	Package	DSL
Total	1,264	826						

USDA-RUS

**OPERATING REPORT FOR
TELECOMMUNICATIONS BORROWERS**

BORROWER DESIGNATION

NM0523

PERIOD ENDING

December, 2015

INSTRUCTIONS- See RUS Bulletin 1744-2

PART D. SYSTEM DATA

1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile
9	14	740	1.71	5.20

PART E. TOLL DATA

1. Study Area ID Code(s) a. 491231 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____	2. Types of Toll Settlements (Check one)	
	Interstate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis
	Intrastate:	<input type="checkbox"/> Average Schedule <input checked="" type="checkbox"/> Cost Basis

PART F. FUNDS INVESTED IN PLANT DURING YEAR

1. RUS, RTB, & FFB Loan Funds Expended	
2. Other Long-Term Loan Funds Expended	
3. Funds Expended Under RUS Interim Approval	
4. Other Short-Term Loan Funds Expended	
5. General Funds Expended (Other than Interim)	229,734
6. Salvaged Materials	
7. Contribution in Aid to Construction	
8. Gross Additions to Telecom. Plant (1 thru 7)	229,734

PART G. INVESTMENTS IN AFFILIATED COMPANIES

INVESTMENTS	CURRENT YEAR DATA		CUMULATIVE DATA		
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance
(a)	(b)	(c)	(d)	(e)	(f)
1. Investment in Affiliated Companies - Rural Development	0	0	0	0	0
2. Investment in Affiliated Companies - Nonrural Development	0	0	0	0	0

USDA-RUS

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

BORROWER DESIGNATION

NM0523

PERIOD ENDING

December, 2015

PART H. CURRENT DEPRECIATION RATES

Are corporation's depreciation rates approved by the regulatory authority
with jurisdiction over the provision of telephone services? (Check one)

☐

YES

☒

NO

EQUIPMENT CATEGORY

DEPRECIATION RATE

1. Land and support assets - Motor Vehicles	16.00%
2. Land and support assets - Aircraft	14.30%
3. Land and support assets - Special purpose vehicles	8.33%
4. Land and support assets - Garage and other work equipment	10.00%
5. Land and support assets - Buildings	3.00%
6. Land and support assets - Furniture and Office equipment	10.00%
7. Land and support assets - General purpose computers	16.67%
8. Central Office Switching - Digital	8.80%
9. Central Office Switching - Analog & Electro-mechanical	8.80%
10. Central Office Switching - Operator Systems	12.50%
11. Central Office Transmission - Radio Systems	12.50%
12. Central Office Transmission - Circuit equipment	11.00%
13. Information origination/termination - Station apparatus	20.00%
14. Information origination/termination - Customer premises wiring	20.00%
15. Information origination/termination - Large private branch exchanges	20.00%
16. Information origination/termination - Public telephone terminal equipment	14.29%
17. Information origination/termination - Other terminal equipment	20.00%
18. Cable and wire facilities - Poles	4.00%
19. Cable and wire facilities - Aerial cable - Metal	5.00%
20. Cable and wire facilities - Aerial cable - Fiber	4.00%
21. Cable and wire facilities - Underground cable - Metal	5.00%
22. Cable and wire facilities - Underground cable - Fiber	5.00%
23. Cable and wire facilities - Buried cable - Metal	6.10%
24. Cable and wire facilities - Buried cable - Fiber	5.60%
25. Cable and wire facilities - Conduit systems	3.50%
26. Cable and wire facilities - Other	5.00%

USDA-RUS		BORROWER DESIGNATION
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		NM0523
		PERIOD ENDED December, 2015
INSTRUCTIONS – See help in the online application.		
PART I – STATEMENT OF CASH FLOWS		
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)		488,858
CASH FLOWS FROM OPERATING ACTIVITIES		
2. Net Income		201,608
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3. Add: Depreciation		771,265
4. Add: Amortization		116,338
5. Other (Explain)		
<i>Changes in Operating Assets and Liabilities</i>		
6. Decrease/(Increase) in Accounts Receivable		24,572
7. Decrease/(Increase) in Materials and Inventory		7,069
8. Decrease/(Increase) in Prepayments and Deferred Charges		(40,082)
9. Decrease/(Increase) in Other Current Assets		0
10. Increase/(Decrease) in Accounts Payable		(9,586)
11. Increase/(Decrease) in Advance Billings & Payments		0
12. Increase/(Decrease) in Other Current Liabilities		52,257
13. Net Cash Provided/(Used) by Operations		1,123,441
CASH FLOWS FROM FINANCING ACTIVITIES		
14. Decrease/(Increase) in Notes Receivable		0
15. Increase/(Decrease) in Notes Payable		(258,310)
16. Increase/(Decrease) in Customer Deposits		0
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)		(856,512)
18. Increase/(Decrease) in Other Liabilities & Deferred Credits		0
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital		0
20. Less: Payment of Dividends		0
21. Less: Patronage Capital Credits Retired		0
22. Other (Explain)		
23. Net Cash Provided/(Used) by Financing Activities		(1,114,822)
CASH FLOWS FROM INVESTING ACTIVITIES		
24. Net Capital Expenditures (Property, Plant & Equipment)		(220,747)
25. Other Long-Term Investments		0
26. Other Noncurrent Assets & Jurisdictional Differences		(4,064)
27. Other (Explain) Original Cost of Plant Retired		(10,101)
28. Net Cash Provided/(Used) by Investing Activities		(234,912)
29. Net Increase/(Decrease) in Cash		(226,293)
30. Ending Cash		262,565

Revision Date 2010

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>NM0523</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2015</p>
<p>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	

<p>USDA-RUS</p> <p>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	<p>BORROWER DESIGNATION</p> <p>NM0523</p>
<p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>PERIOD ENDED</p> <p>December, 2015</p>
<p>CERTIFICATION LOAN DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</p>	